

PEPSI-COLA COMPANY

PROXY STATEMENT

for

Annual Meeting of Stockholders
Noticed to be Held April 28, 1943

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This statement is furnished in connection with the solicitation by the Management of proxies to be used at the Annual Meeting of Stockholders of Pepsi-Cola Company (hereinafter called the Company) noticed to be held at the office of the Company, No. 100 West 10th Street, Wilmington, Delaware, on Wednesday, April 28, 1943, at two o'clock in the afternoon.

An Annual Report to security holders, including financial statements, is being furnished concurrently with this Statement.

If a proxy in the form which accompanies this Statement is executed and returned, the person giving the proxy may nevertheless revoke it at any time prior to the voting thereof.

There are issued and outstanding (after deducting 218.6 shares held in the treasury) 1,898,351.6 shares of the capital stock of the Company. Each share of the Company's stock is entitled to one vote.

Election of Directors

The By-Laws of the Company provide for a Board of eight Directors, each to hold office from the time of his election and qualification until his successor shall have been elected and shall qualify, or until his earlier death, resignation or removal. One of the purposes of said Meeting is to elect the eight Directors for the ensuing year.

It is the intention of the persons named in the accompanying form of proxy to vote such proxy for the election of Messrs. James W. Carkner, Walter W. Colpitts, Edward A. LeRoy, Jr., Walter S. Mack, Jr., Herman Shulman, Herbert M. Singer, Harral S. Tenney and Arthur T. Vanderbilt, who constitute the present directors of the Company. Should any of these nominees for the office of director become unable to accept nomination or election, it is the intention of the persons named in the accompanying form of proxy to vote for the election of such other person for such office as the Management may recommend in the place of such nominee.

Information Regarding the Directors:

The following information is furnished with respect to the candidates for election as Directors, who constitute all of the present Directors of the Company:—

Name	Principal Occupation	Year in which first became Director*	Shares of Company's Stock Beneficially Owned as of March 1, 1943
James W. Carkner	Real Estate Business	1930	6,006
Walter W. Colpitts	Partner, Coverdale & Colpitts, Consulting Engineers	1936	4,000
Edward A. LeRoy, Jr.	Treasurer, Phoenix Securities Corporation	1936	100
Walter S. Mack, Jr.	President of Company	1936	None
Herman Shulman	Partner, Hays, Podell & Shulman Attorneys	1941	10,026.28
Herbert M. Singer	Partner, Levien, Singer & Neuburger Attorneys	1941	32,057
Harral S. Tenney	Vice-President, The Marine Midland Trust Company of New York	1941	126
Arthur T. Vanderbilt	Attorney	1941	None

* NOTE: Certain of the Directors became directors of old Pepsi-Cola Company (incorporated August 10, 1931 and merged into the Company under its corporate name of "Loft Incorporated" on June 30, 1941) in years other than here indicated.

Remuneration of All Directors, and of Officers, Employees and Others Receiving Over \$20,000 in 1942:

(I) The following information is furnished with regard to the remuneration in 1942 of all Directors and of all Officers who received from the Company and its subsidiaries payments of remuneration totalling more than \$20,000 during the year 1942:

<i>Name</i>	<i>Position</i>	<i>Aggregate amount of Remuneration in 1942, directly or indirectly, from Company and subsidiaries</i>	<i>If Remuneration in 1942 exceeded \$20,000, amount by which 1942 payments exceeded 1941 payments</i>
James W. Carkner	Director and Advisory Services	\$31,000	\$ 1,650
Walter W. Colpitts	Director	4,500	
Edward A. LeRoy, Jr.	Director	4,500	
Walter S. Mack, Jr.	President and Director	98,667	7,617
Herman Shulman	Director(1)	4,500	
Herbert M. Singer	Director(1)	3,900	
Harral S. Tenney	Director	4,500	
Arthur T. Vanderbilt	Attorney and Director(2)	77,975	11,075
Geo. M. O'Neil	Vice-President	26,625	4,458
Don G. Mitchell	Vice-President(3)	23,208	
Milward W. Martin	Secretary and Head of Law Department	22,775	2,608
J. Willard Pipes	Vice-President	20,812	2,646

(1) The Company (including its Canadian subsidiary) paid \$258,688 to Hays, Podell & Shulman (of which firm Herman Shulman is a partner) and \$10,750 to Levien, Singer & Neuburger (of which firm Herbert M. Singer is a partner. Said sums were paid to and shared by said two firms as compensation for legal services rendered by them.

Pursuant to agreement of settlement between the Company and Hays, Podell & Shulman covering remuneration for certain legal services performed and to be performed by the said two firms, there is to be paid a balance of \$200,000 payable partly in 1943 and the remainder in 1944.

(2) Including payments by Pepsi-Cola Company of Canada, Limited, for legal services.

(3) Resigned October 31, 1942.

(II) The aggregate remuneration from the Company and its subsidiaries in 1942 to all directors and officers of the Company was \$432,130.92. This exceeds the comparable figure for 1941 by \$9,914.37.

(III) Other than the above officers, there was but one employee who received from the Company and its subsidiaries remuneration in excess of \$20,000 in 1942. His total remuneration was \$119,348.39 Canadian dollars, received from Pepsi-Cola Company of Canada, Limited.

(IV) The following were the persons, other than directors, officers and employees, whose aggregate remuneration from the Company and its subsidiaries in 1942 exceeded \$20,000:

<i>Name</i>	<i>Capacity in Which Remuneration Received</i>	<i>Aggregate Remuneration in 1942*</i>
Eisner & Lubin	Tax consultants	\$ 37,500
Hays, Podell & Shulman	Legal Services(a) (b)	258,688
Charles G. Guth	As per contract(c)	99,999
William H. Hoodless	Sugar Advisory Services	35,000
Milton Handler	Legal Services(a)	41,467
V. O. & G. H. Robertson	Territorial Representatives	590,189
Joseph LaPides	Territorial Representative	451,327
C. L. Jones	Territorial Representative	63,162
Prew Savoy	Legal Services	60,000
Pepsi-Cola Bottling Co. of Los Angeles	Special Selling Commissions	31,752
Harry Skipsey	Sugar Advisory Services	44,000
Parker, Garrett & Co. (London)	Legal Services(a)	33,765
		(Canadian Dollars)
Herridge, Gowling, McTavish & Watt (Ottawa) ..	Legal Services(a)	\$ 65,400
		(Canadian Dollars)

(a) Includes payments by Pepsi-Cola Company of Canada, Limited.

(b) See foot-note (1) above.

(c) Payments made pursuant to agreement with Charles G. Guth entered into July 1, 1939 at the time of the settlement of the action in the Court of Chancery, State of Delaware, entitled "Loft Incorporated v. Charles G. Guth, et al."

* NOTE:—It is impractical to give these figures on an accrual basis. The amounts here shown are the moneys actually disbursed in 1942 (non-accrual basis) and represent remuneration for certain services performed during 1942 and prior thereto.

Interest of Director in Transaction to Which Company Was a Party:

The Marine Midland Trust Company of New York in 1942 issued commercial letters of credit for account of the Company and its wholly owned subsidiary Mexican-American Flavors Company, S. A., in connection with sugar purchases in Mexico. Mr. Tenney is Vice-President of The Marine Midland Trust Company of New York.

Phoenix Securities Corporation's Holdings of Company's Stock:

Phoenix Securities Corporation has advised the Company that as of March 1, 1943 it owned beneficially 482,900 shares of stock of the Company or approximately 25.43% of the shares presently outstanding. Mr. Walter W. Colpitts, Mr. Walter S. Mack, Jr. and Mr. Edward A. LeRoy, Jr., three of the above named nominees, are directors of Phoenix Securities Corporation, and Messrs. Mack and LeRoy are President and Treasurer, respectively, of said corporation.

The Company is advised that as of March 1, 1943, Mr. Wallace Groves owned beneficially approximately 32.9% of the total voting stock of Phoenix Securities Corporation.

Voting for Election of Director Pursuant to Arrangement:

Pursuant to the agreement of settlement between the Company (under its then corporate name of "Loft Incorporated") and the attorneys (David L. Podell; Hays, Podell & Shulman; Southerland, Berl, Potter & Leahy; and Levien, Singer & Neuburger) who represented it in the action in the Court of Chancery of the State of Delaware, entitled *Loft Incorporated v. Charles G. Guth, et al.*, as approved and modified by said Court on July 7, 1939, after notice to the stockholders of the Company, said attorneys received shares of stock of old Pepsi-Cola Company (incorporated August 10, 1931) which were convertible upon the "Loft-Pepsi-Cola" merger in 1941 into approximately 270,291 shares of stock of the Company. In connection with the merger Phoenix Securities Corporation (the owner, prior to the merger, of approximately 33.04% of the publicly held stock of the Company) entered into an agreement, dated April 28, 1941, with said attorneys pursuant to which Phoenix Securities Corporation agreed that all stock of the Company owned by it will be voted in favor of the election of one designee of said attorneys to the office of director of the Company at all elections of directors subsequent to the year 1941, such agreement to be binding upon any person purchasing such stock from Phoenix Securities Corporation for investment and to be operative so long as Phoenix Securities Corporation or such purchaser, as the case may be, shall own at least 30,000 shares of stock of the Company and said attorneys and their families shall own or control in the aggregate at least 105,375 shares of stock of the Company. Phoenix Securities Corporation has advised the Company that as of March 1, 1943 it owned beneficially 482,900 shares of stock of the Company or approximately 25.43% of the shares presently outstanding; and said attorneys (who include the firms of which Mr. Herman Shulman and Mr. Herbert M. Singer, two of the above named nominees, are partners) have advised the Company that they and their families still own or control in excess of 105,375 shares of stock of the Company (exact number of shares not known to the Management), so that said agreement is operative. Mr. Herman Shulman is the designee of said attorneys for election to the office of director of the Company at said Meeting.

Other Matters:

The only business now known by the Management that will be presented for action at said Meeting of Stockholders is the election of directors. However, if any other matters, not now known come before the Meeting, the persons named in the accompanying form of proxy (or their substitutes) will vote said proxy in accordance with their judgment on such matters.

Costs and Methods of Solicitation:

The cost of preparing, assembling and mailing this Statement and the accompanying notice of meeting and form of proxy, and any additional material relating to the meeting which may be furnished to stockholders subsequent to the furnishing of this Statement, has been or is to be borne by the Company.

In addition to the solicitation of proxies by use of the mails, the Company may utilize a few of its officers and regular employees (who will receive no compensation therefor in addition to their regular salaries) to solicit proxies personally and by telephone or telegraph from brokerage houses and stockholders. The number of solicitors so to be utilized is not expected to exceed twelve. The Company may also engage the services of others to solicit proxies personally or by telephone or telegraph, but has no present arrangements or plan for so doing. The cost of all such additional solicitations made otherwise than by use of the mails (which cost, exclusive of such regular salaries of officers and employees, is estimated not to exceed \$2,500) is to be borne by the Company.

MILWARD W. MARTIN,
Secretary.

Dated, March 17, 1943.